

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01732A
Willow Valley Water Company, Inc.
21410 N. 19th Ave., Ste. 201
Phoenix, AZ 85027

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-16-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Willow Valley Water Company</u>		
Mailing Address <u>21410 N. 19th Ave</u>		
<u>Phoenix</u>	<u>Az</u>	<u>85027</u>
(City)	(State)	(Zip)
<u>623-580-9600</u>	<u>623-580-9659</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>graham.symmonds@gwresources.com</u>		
Local Office Mailing Address <u>SAME</u>		
(City)	(State)	(Zip)
<u>Local Office Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Graham Symmonds</u>		<u>SVP Operations & Compliance</u>	
(Name)		(Title)	
<u>21410 N. 19th Ave, Phoenix AZ 85027</u>			
(Street)	(City)	(State)	(Zip)
<u>623-580-9600</u>	<u>623-580-9659</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>graham.symmonds@gwresources.com</u>			
On Site Manager: <u>SAME</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
<u>Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Pager/Cell No. (Include Area Code)</u>	
Email Address _____			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Andy Abraham, Burch & Cracchiolo PLC

(Name)

702 East Osborn, Suite 200

(Street)

Phoenix, Arizona 85014

(City)

(State)

(Zip)

(602) 274-7611

Telephone No. (Include Area Code)

(602) 234-0341

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Tim Sabo, Roshka, deWulf, Patten

(Name)

400 East Van Buren, Suite 800 Phoenix, Arizona 85004

(Street)

(City)

(State)

(Zip)

602-256-6100

Telephone No. (Include Area Code)

602-256-6800

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☒ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	-	-	-
302	Franchises	-	-	-
303	Land and Land Rights	18,100	-	18,100
304	Structures and Improvements	117,227	(76,339)	40,888
305	Collection/Impounding Reservoirs	-	-	-
307	Wells and Springs	67,445	(39,530)	27,915
309	Supply Mains	-	-	-
310	Power Generation Equipment	1,739	(43)	1,696
311	Pumping Equipment	321,716	(229,773)	91,943
320	Water Treatment Equipment	244,548	(103,737)	140,811
330	Distribution Reservoirs and Standpipes	256,971	(86,992)	169,979
331	Transmission and Distribution Mains	558,734	(227,957)	330,777
333	Services	90,785	(39,532)	51,253
334	Meters and Meter Installations	211,839	(152,464)	59,375
335	Hydrants	27,202	(10,497)	16,705
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	1,097	(37)	1,060
340	Office Furniture and Equipment	27,102	(16,027)	11,075
341	Transportation Equipment	25,541	(19,176)	6,365
342	Stores Equipment	-	-	-
343	Tools, Shop and Garage Equipment	20,798	(6,979)	13,819
344	Laboratory Equipment	413	(21)	392
345	Power Operated Equipment	38,925	(14,383)	24,542
346	Communication Equipment	2,654	(1,681)	973
347	Miscellaneous Equipment	4,302	(215)	4,087
348	Other Tangible Plant	3,937	(1,929)	2,008
	TOTALS	2,041,077	(1,027,312)	1,013,765

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME: Willow Valley Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	-	-	-
302	Franchises	-	-	-
303	Land and Land Rights	18,100	-	-
304	Structures and Improvements	117,227	3.33%	3,898
305	Collection/Impounding Reservoirs	-	-	-
307	Wells and Springs	67,445	3.33%	2,123
309	Supply Mains	-	-	-
310	Power Generation Equipment	1,739	5.00%	43
311	Pumping Equipment	321,716	12.50%	37,289
320	Water Treatment Equipment	244,548	3.33%	8,045
330	Distribution Reservoirs and Standpipes	256,971	2.22%	5,701
331	Transmission and Distribution Mains	558,734	2.00%	11,070
333	Services	90,785	3.33%	3,007
334	Meters and Meter Installations	211,839	8.33%	16,858
335	Hydrants	27,202	2.00%	544
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	1,097	6.67%	37
340	Office Furniture and Equipment	27,102	6.67%	1,665
341	Transportation Equipment	25,541	20.00%	5,108
342	Stores Equipment	-	-	-
343	Tools, Shop and Garage Equipment	20,798	5.00%	869
344	Laboratory Equipment	413	10.00%	21
345	Power Operated Equipment	38,925	5.00%	1,572
346	Communication Equipment	2,654	10.00%	243
347	Miscellaneous Equipment	4,302	10.00%	215
348	Other Tangible Plant	3,937	3.33%	131
	Plus Depreciation on Non-Utility Assets			
	Less: CIAC amortization			-
	TOTALS	2,041,077	-	98,439

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct. No.	Assets	Balance at Beginning of Test Year	Balance at End of Year
	Current and Accrued Assets		
131	Cash	\$2,942	\$ 42,658
134	Working Funds	0	0
135	Temporary Cash Investments	70,584	75,150
141	Customer Accounts Receivable	31,609	24,770
146	Notes/Receivables from Assoc. Companies	198,917	0
151	Plant Material and Supplies	17,061	15,163
162	Prepayments	0	0
173	Accrued Utility Revenue		1,184
174	Misc. Current and Accrued Assets	18,679	20,065
	Total Current and Accrued Assets	\$339,792	178,990
	Fixed Assets		
101	Utility Plant in Service	\$1,917,050	\$2,041,077
103	Property held for Future Use	0	0
105	Construction Work in Progress	133	23,153
108	Accumulated Depreciation – Utility Plant	(928,873)	(1,027,312)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	Total Fixed Assets	\$988,310	1,036,918
	Total Assets	\$1,328,102	\$ 1,215,908

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	Liabilities	Balance at Beginning of Test Year	Balance at End of Year
	Current Liabilities		
231	Accounts Payable	\$1,989	\$ 57,640
232	Notes Payable (Current Portion)	36,354	32,653
234	Notes/Accounts Payable to Assoc. Companies	0	0
235	Customer Deposits	7,650	7,900
236	Accrued Taxes	16,160	15,855
237	Accrued Interest	4,198	2,117
241	Misc. Current and Accrued Liabilities	9,723	9,739
	Total Current Liabilities	\$76,074	\$ 125,904
	Long Term Debt (Over 12 months)		
224	Long-Term Notes and Bonds	\$502,679	\$ 478,941
	Deferred Credits		
251	Unamortized Premium on Debt	\$0	\$ 0
252	Advances in Aid of Construction	623,083	628,172
255	Accumulated Deferred Investment of Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	9,423	9,423
	Total Deferred Credits	\$632,506	\$ 637,595
	Total Liabilities	\$1,211,259	\$ 1,242,440
	Capital Accounts		
201	Common Stock Issued	\$53,000	\$ 53,000
204	Preferred Stock Issued	135,100	135,100
211	Paid in Capital in Excess of Par Value	108,790	13,840
215	Retained Earnings	(180,049)	(228,472)
218	Proprietary Capital (Sole Props & Partnerships)		
	Total Capital	\$116,841	\$ (26,532)
	Total Liabilities and Capital	\$1,328,102	\$ 1,215,908

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	Operating Revenues	Prior Year	Current Year
461	Metered Water Revenue	\$ 467,175	\$ 480,886
460	Unmetered Water Revenue		
474	Other Water Revenue	22,709	21,961
	Total Revenues	\$ 489,884	\$ 502,848
	Operating Expenses		
601	Salaries and Wages	\$ 106,398	\$ 71,634
604	Employee Pensions and Benefits	13,445	10,752
610	Purchased Water	0	190
615	Purchased Power	23,731	28,626
616	Fuel for Power Production	0	1016
618	Chemicals	0	5,355
620	Repairs and Maintenance	8,635	16,816
621	Office Supplies and Expense	28,376	17,706
630	Outside Services	163,497	217,277
635	Water Testing	7,106	2,119
641	Rents	0	634
650	Transportation Expenses	16,304	10,502
657	Insurance – General Liability	5,094	0
659	Insurance – Health and Life	0	0
675	Misc. Expense	2,795	4350
403	Depreciation Expense	90,690	98,439
408	Taxes Other than Income	9,639	6,367
408.11	Property Taxes	26,736	26,350
409	Income Tax	(5,150)	0
	TOTAL OPERATING EXPENSES	\$ 497,296	\$ 518,133
	OPERATING INCOME/(LOSS)	\$ (7,412)	\$ (15,286)
	Other Income Expense		
419	Interest and Dividend Income	\$ 10,040	\$1,687
421	Non-Utility Income	13,225	2,773
426	Misc. Non-Utility Expenses	(1,479)	
427	Interest Expense	(40,814)	(37,597)
	Total Other Income/Expense	\$ (19,028)	\$ (33,137)
	Net Income/(Loss)	\$ (26,440)	\$ (48,423)

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/1995	12/1998	8/1998	12/2002
Source of Loan	CoBank	CoBank	WIFA	WIFA
ACC Decision No.	58918	60713	60713	64891
Reason for Loan	Plant Improvements	Willow Office Building	Plant Improvements	Well Site Upgrade
Dollar Amount Issued	\$ 300,000	\$ 75,350	\$ 232,650	\$ 110,000
Amount Outstanding	\$ 193,805.05	\$ 58,908.04	\$ 165,495.82	\$ 93,385.74
Date of Maturity	6/2015	12/2018	9/2018	12/2022
Interest Rate	9.53 %	Variable 8.00 %	6.125 %	4.375 %
Current Year Interest	\$ 17,156.83	\$ 5,550.22	\$ 9,228.01	\$ 4,150.36
Current Year Principal	\$ 14,152.82	\$ 2,713.10	\$ 10,080.96	\$ 4,466.79

Meter Deposit Balance at Test Year End	<u>\$62,122.50</u>
Meter Deposits Refunded During the Test Year	<u>\$9,646.50</u>

COMPANY NAME: Willow Valley Water Company	
Name of System 08-040 & 08-129	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-603947 (King St.)	15	500	97	8	4	
55-603949 (Unit 17)	15	400	86	8	6	
55-603951 (Unit 1) - Inoperable	15	250	100	16	4	
55-603952 (Riding Club) – Inoperable	5	90	91	20	3	
55-604161 (LC Little)	5	225	102	16	6	
55-604160 (LC Big)	10	400	100	12	4	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	2	34	24
15	8		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
210,000	1	13,000	1
150,000	1	5,000	3
93,000	1	2,000	1
50,000	1	80	4

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company		
Name of System	08-040 & 08-129	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	565
3	PVC	2,387
4	PVC	76,262
5		
6	PVC	43,110
8	PVC	26,852
10	PVC	1,510
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	1,529
3/4	2
1	4
1 1/2	2
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	2
Comp. 6	1
Turbo 6	1

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

NaOCL Injection Systems _____

STRUCTURES:

Office Building; Fences around all well sites; Wood shed at King St. _____

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company		
Name of System	Lake Cimarron 08-129	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

PWS #08-129 Lake Cimarron System

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	112	709	513	
FEBRUARY	111	597	717	
MARCH	112	727	1,065	
APRIL	110	795	935	
MAY	111	617	1,434	
JUNE	112	1,248	1,468	
JULY	116	956	1,184	
AUGUST	118	1,278	1,568	
SEPTEMBER	115	1,054	1,205	
OCTOBER	118	961	1,092	
NOVEMBER	116	813	1,109	
DECEMBER	115	527	684	
TOTALS →		10,282	12,974	

What is the level of arsenic for each well on your system? see below mg/l

(If more than one well, please list each separately.)

ADWR #55-604161 Lake Cimarron 0.005 mg/L

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☒ (X) Yes ☐ () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ () Yes ☒ (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ () Yes ☒ (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Willow Valley Water Company		
Name of System	King Street 08-040	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

PWS #08-040 King Street (interconnected systems to 08-034)

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1,276	5,917	3,598	
FEBRUARY	1,273	4,980	9,683	
MARCH	1,274	5,590	8,488	
APRIL	1,276	5,235	8,994	
MAY	1,277	7,531	11,392	
JUNE	1,277	8,789	12,197	
JULY	1,281	8,184	13,639	
AUGUST	1,282	8,937	12,801	
SEPTEMBER	1,279	8,348	10,798	
OCTOBER	1,279	7,235	9,804	
NOVEMBER	1,280	6,334	5,907	
DECEMBER	1,270	4,654	8,808	
TOTALS →		81,734	116,109	

What is the level of arsenic for each well on your system? See below mg/l

(If more than one well, please list each separately.)

ADWR #55-603947 (King Street) <0.0010 mg/l

ADWR #55-603949 (Unit 17) 0.0041 mg/l

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☒ (X) Yes ☐ () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ () Yes ☒ (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ () Yes ☒ (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Willow Valley Water Company YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 26,543.21

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE <u>CINDY LILES SUP. GRANT & CFO</u>
COMPANY NAME <u>Willow Valley Water Co.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Cindy Liles
SIGNATURE OF OWNER OR OFFICIAL
623-580-1600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

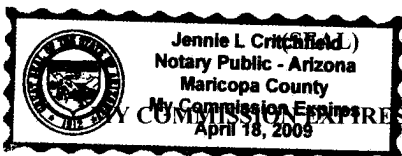
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

16th

DAY OF

COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>April</u>	<u>2007</u>



4/13/09

Jennie L. Critchfield
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Willow Valley Water Company YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported

Tax return has been extended. This page will be amended and resubmitted when tax return has been filed.

Estimated or Actual Federal Tax Liability

State Taxable Income Reported

Tax return has been extended. This page will be amended and resubmitted when tax return has been filed.

Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

0

Amount of Gross-Up Tax Collected

0

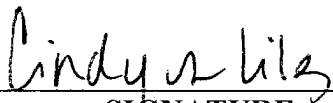
Total Grossed-Up Contributions/Advances

0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

April 16, 2007

DATE

Cindy M. Liles

PRINTED NAME

SVP-CFO

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Mohave County <i>Maricopa</i>
NAME (OWNER OR OFFICIAL) TITLE	Cindy Liles, CFO/SVP Growth Mgmt
COMPANY NAME	Willow Valley Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$508,474.27

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$27,474.27
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Cindy Liles

SIGNATURE OF OWNER OR OFFICIAL
623-580-4600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

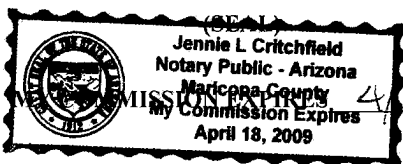
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10th

DAY OF

COUNTY NAME	<i>Maricopa</i>	
MONTH	<i>April</i>	<i>2007</i>



Jennie L. Critchfield

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Mohave County ¹¹ <u>MARICOPA</u>	
NAME (OWNER OR OFFICIAL) <u>Cindy Liles</u>	TITLE <u>CFO/SVP of Growth</u>
COMPANY NAME <u>Willow Valley Water Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$463,274.86

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 26,478.76

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Cindy Liles
SIGNATURE OF OWNER OR OFFICIAL

623-580-1600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

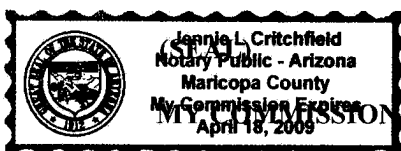
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

16th

DAY OF

NOTARY PUBLIC NAME <u>Jennie Critchfield</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	DAY <u>20</u> YEAR <u>07</u>



MY COMMISSION EXPIRES 4/18/09

X Jennie Critchfield
SIGNATURE OF NOTARY PUBLIC

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN -	AMOUNT PAID
	Parcel#93011611- 2nd half				13,368.02
CHECK DATE	CHECK NO.	PAYEE	DISCOUNTS TAKEN	CHECK AMOUNT	
4/26/06	3787	Mohave County Treasurer		\$13,368.02	

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER - SEE REVERSE SIDE FOR COMPLETE SECURITY FEATURES.



BANK ONE, N.A.
Phoenix, Arizona

WILLOW VALLEY WATER COMPANY, INC.

3800 N. CENTRAL AVE., SUITE 770
PHOENIX, ARIZONA 85012
(602) 224-0711

91-2/1221

Memo: Parcel#93011611

CHECK NO.

DATE

AMOUNT

3787

Apr 26, 2006

***\$13,368.02

PAY TO THE ORDER OF Thirteen Thousand Three Hundred Sixty-Eight and 02/100 Dollars

Mohave County Treasurer
Dora E. Goodmiller
P.O. Box 712
Kingman, AZ 86402-0712

MP

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT.

⑈003787⑈ ⑆122100024⑆

0442⑈3406⑈

WILLOW VALLEY WATER COMPANY, INC.

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
	Parcel#93011611- 2nd half				13,368.02
CHECK DATE	CHECK NO.	PAYEE	DISCOUNTS TAKEN	CHECK AMOUNT	
4/26/06	3787	Mohave County Treasurer		\$13,368.02	



SFMS00051-1

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 480-892-7527

G95WB10010000 M02SF032247

LITHO USA SFS12 GK7508112L

IMPORTANT - SEE REVERSE SIDE FOR COMPLETE EXPLANATION
OF YOUR TAX NOTICE AND PAYMENT INSTRUCTIONS.

JAN. 1, 2005

DEC. 31, 2005

MOHAVE COUNTY, ARIZONA
TAX YEAR: 2005

PARCEL IDENTIFICATION 93011611 ROLL NUMBER 0240406 TAX AREA CODE 01611

SITUS ADDRESS

TOTAL VALUE OF OPERATING PROPERTY
225-27-006 25,730 225-27-018 10,199
225-27-032-B 1,000 225-27-032-G 22,254
225-29-152 13,171 225-30-136 16,934
225-31-127 1,000 225-37-041 8,004

WILLOW VALLEY WATER CO INC
J JOHN MITHLIK/PRESIDENT
3800 N CENTRAL AVE #770
PHOENIX 85012

00224 00340

TAX DISTRIBUTION (4)

TAX CODE	TAX JURISDICTION	2005 TAX	2004 TAX	CURRENT RATE/100
02000	MOHAVE COUNTY	4248.14	4086.28	1.75000
02001	School Equalization	1057.92	1064.76	.43580
05016	MO VAL ELEM SCHL DIST #16	4792.38	4616.32	1.97420
06200	COLORADO RIVER UHS #2	3647.10	3853.94	1.50240
08150	MOHAVE COMMUNITY COLLEGE	2282.84	2214.28	.94040
11206	MOHAVE VAL FD	6505.72	6385.08	2.68000
11900	FIRE DIST ASSIST FUND	242.76	233.50	.10000
14900	MO CO LIBRARY DIST	785.54	755.60	.32360
15000	MO CO FLOOD CONTROL DIST	445.86	442.52	.50000
16770	MOHAVE VAL I&D	8.98	8.44	1.33000
28000	MO CO TV CID	210.46	202.44	.08670
65016	SD #16 CLASS A BONDS	1034.60	2974.34	.42620
66200	SD #2 CLASS A BONDS	.00	1580.34	.00000
76200	SD #2 CLASS B BONDS	1473.74	.00	.60710

TOTALS →		26,736.04	28,417.84	
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PRIMARY PROPERTY TAX CALCULATION (1)

ITEM	LIMITED VALUE	ASMT. %	ASSESSED VALUE
LAND, BLDGS, ETC.	356685	25.0	89172
PERSONAL PROPERTY	614315		153579
TOTALS →	971000		242751
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	6.6028	16028.38
PERSONAL PROPERTY	0		
TOTALS →			16028.38

SECONDARY PROPERTY TAX CALCULATION (2)

ITEM	FULL CASH VALUE	ASMT. %	ASSESSED VALUE
LAND, BLDGS, ETC.	356685	25.0	89172
PERSONAL PROPERTY	614315		153579
TOTALS →	971000		242751
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0	4.7236	10698.68
PERSONAL PROPERTY	0		
TOTALS →			10698.68

TAX SUMMARY (3)

PRIMARY	16028.38
AD VALOREM TAX	
LESS STATE AID TO EDUCATION	.00
NET PRIMARY	16028.38
AD VALOREM TAX	
SECONDARY	10698.68
AD VALOREM	
SPECIAL	.00
DISTRICT TAX	
SPECIAL	8.98
ASSESMENTS	
TOTAL TAX DUE →	26736.04
HALF TAX →	13368.02

DELINQUENT DATES

VALUATION DATE

ASSESSMENT DATE

THIS IS THE ONLY NOTICE YOU WILL RECEIVE.
NO RECEIPT WILL BE SENT UNLESS REQUESTED.

REF. NO.	INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
018668	93011611	9/21/2006	13,175.19	13,175.19	0.00	13,175.19

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER - THE BACK CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

Willow Valley Water Company
21410 North 19th Avenue Ste 201
Phoenix, AZ 85027
(623)580-9600

WELLS FARGO BANK, N.A.
115 Hospital Drive
Van Wert, OH 45891

58-382/412

005351

DATE	CHECK NO.	AMOUNT
9/22/2006	005351	\$*****13,175.19

PAY: Thirteen Thousand One Hundred Seventy-Five and 19/100 ----- Dollars

TO THE ORDER OF: Mohave County Treasurer
Lee E. Fabrizio
P.O. Box 712
Kingman, AZ 86402-0712

BORDER CONTAINS MICROPRINTING

⑈005351⑈ ⑆041203824⑆960005623⑈

Willow Valley Water Company

005351

Vendor MOHTR Check Date 9/22/2006 Check Number 005351

Ref Nbr	Inv Nbr	Inv Date	Invoice Amount	Amount Paid	Disc Taken	Net Check Amt
018668	93011611	9/21/2006	13,175.19	13,175.19	0.00	13,175.19

REAL PROPERTY

IMPORTANT-

SEE REVERSE SIDE FROM COMPLETE EXPLANATION
OF YOUR TAX NOTICE AND PAYMENT INSTRUCTIONS

JAN. 1, 2006

DEC. 31, 2006

MOHAVE COUNTY, ARIZONA
TAX YEAR: 2006

FARCEL IDENTIFICATION 93011611	ROLL NUMBER 0000000	TAX AREA CODE 01611	SITUS ADDRESS 3.
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TOTAL VALUE OF OPERATING PROPERTY

225-27-006 25,730 225-27-018 10,199
 225-27-032-B 1,000 225-27-032-G 22,254
 225-29-152 13,171 225-30-136 16,934
 225-31-127 1,000 225-37-041 8,004

622 9/6
 93934 00-00
 50 JR 9/18/06

WILLOW VALLEY WATER CO INC
 J JOHN MIHLIK/PRESIDENT

3800 N CENTRAL AVE #770
 PHOENIX 85012

PRIMARY PROPERTY TAX CALCULATION			
ITEM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE
LAND,BLDGS, ETC.	979000	24.5	239855
PERSONAL PROP	0		0
TOTALS →	979000		239855
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND,BLDGS, ETC.	0	6.5224	15644.30
PERSONAL PROP			
TOTALS →	0		15644.30
SECONDARY TAX CALCULATION			
ITEM	FULL CASH VALUE	ASSMT. %	ASSESSED VALUE
LAND,BLDGS, ETC.	979000	24.5	239855
PERSONAL PROP	0		0
TOTALS →	979000		239855
ITEM	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND,BLDGS, ETC.	0	4.7906	10697.10
PERSONAL PROP			
TOTALS →	0		10697.10

TAX DISTRIBUTION					TAX SUMMARY	
TAX CODE	TAX JURISDICTION	2005 TAX	2005 TAX	CURRENT RATE/100		
2000	MOHAVE COUNTY	4024.04	4248.14	1.67770	PRIMARY AD VALOREM TAX	15644.30
2001	School Equalization	.00	1057.92	.00000	LESS STATE AID TO EDUCATION	.00
5016	MO VAL ELEM SCHL DIST #16	4751.54	4792.38	1.98100	NET PRIMARY AD VALOREM TAX	15644.30
6200	COLORADO RIVER UHS #2	4714.34	3647.10	1.96550	SECONDARY AD VALOREM TAX	10697.10
8150	MOHAVE COMMUNITY COLLEGE	2154.38	2282.84	.89820	SPECIAL DISTRICT TAX	8.98
11206	MOHAVE VAL FD	6428.12	6505.72	2.68000	SPECIAL ASSESSMENTS	.00
11900	FIRE DIST ASSIST FUND	239.84	242.76	.10000	TOTAL TAX DUE →	26350.38
14900	MO CO LIBRARY DIST	776.18	785.54	.32360	HALF TAX →	13175.19
15000	MO CO FLOOD CONTROL DIST	405.86	445.86	.50000		
16770	MOHAVE VAL I&D	8.98	8.98	1.33000		
28000	MO CO TV CID	207.96	210.46	.08670		
65016	SD #16 CLASS A BONDS	1522.12	.00	.63460		
66200	SD #2 CLASS A BONDS	.00	1473.74	.00000		
76200	SD #2 CLASS B BONDS	1117.02		.46570		
TOTALS →		26350.38	26736.04		THIS IS THE ONLY NOTICE YOU WILL RECEIVE. NO RECEIPT WILL BE SENT UNLESS REQUESTED.	

Click for Assessor Info Click to see who gets your tax money:

Parcel Number: 93011611

Owner Name: WILLOW VALLEY WATER CO INC

Mailing Address: 3800 N CENTRAL AVE #770

City, State, ZIP: PHOENIX , 85012

Year	Billed		Paid		Due		Interest		Fees	Total	Assgn
	1st	2nd	1st	2nd	1st	2nd	1st	2nd			
2006	13175.19	13175.19	13175.19	13175.19		0	0	0	0	0	0